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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 003331

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TAGS: ECON PGOV EAID ECPS EINT EINV IZ

SUBJECT: MINISTER OF COMMUNICATIONS ON MOSUL RECONSTRUCTION

AND TELE-COMMS

REF: BAGHDAD 3267

Classified By: Economic Minister Counselor Marc Wall for reasons 1.4(b) and (d)

- 11. (C) Summary: Minister of Communications Farouk Abdul-Rahman claims to have spent all of the USD 100 million provided by the Central Government for reconstruction in Mosul. He said that Provincial Government budget-execution lags behind, and he has asked Prime Minister Maliki to reassign some of the provincial budget to his own use. Abdul-Rahman was very critical of Ninewa Governor Kashmoula, saying that he is not interested in reconstruction or reconciliation, but made factually incorrect assertions that cast doubt on his credibility. Mosul continues to be very unsafe, he said, despite others' claims to the contrary. While focused mainly on his efforts in Mosul, Abdul-Rahman claims he has substantially increased budget execution in the Ministry of Communications and welcomed foreign investment in internet and e-Governance programs in Iraq. End summary.
- 12. (SBU) EMIN discussed Mosul reconstruction and telecommunications issues during a courtesy call with Minister of Communications Farouk Abdul-Rahman on October 9. Abdul-Rahman was appointed Minister of Communications in July 12008. Abdul-Rahman is also the GOI's Reconstruction Coordinator for Mosul. A Sunni Arab, he is a member of the Iraq Islamic Party.
- ¶3. (C) According to Abdul-Rahman, the Central Government's Mosul Reconstruction budget of USD 100 million has been fully contracted. (Comment: These funds were actually fully committed by his predecessor Zuhair Chalabi, and, we believe, to little effect. End comment.) These projects have focused on basic services, including healthcare and hospitals, water supplies and sewage treatment, education, and improving roads and transportation networks. He has asked the Prime Minister to transfer some of Ninewa's IQD 650 billion provincial budget to his control since he believes he will be more effective in spending it. (Note: Abdul-Rahman's rival, Governor Kashmoula, in turn blames the Central Government for delays in executing his budget (reftel). End note.)

"There is No One Safe in Mosul"...

14. (C) Abdul-Rahman said that security has not improved in Mosul despite claims to the contrary. He was most concerned that Al-Qaida in Iraq (AQI) and criminal gangs forced all companies doing reconstruction work to pay kickbacks and "protection money." "There is no one safe in Mosul," he said. He recounted the story of a local member of parliament whose house was blown up despite being in a protected neighborhood. According to Abdul-Rahman, Governor Kashmoula spent the Eid (celebration of the end of Ramadan) with his family, which is staying in Dohuk Province due to security concerns. Real divisions exist between the political parties and both the police and military forces are infiltrated by AQI and gangs. Efforts were needed to "clean up" the police

and military by finding and removing those that have infiltrated their ranks. "The commander of operations in Mosul does not have control," he claimed, "and many of his orders are not carried out."

...And the Governor Doesn't Care

15. (C) Abdul-Rahman said that Governor Kashmoula is not interested in making the hard decisions necessary to bring about reconstruction and reconciliation since he does not expect to be re-elected in upcoming elections. "He only has a limited mandate and the people of Mosul do not feel that he represents them," he said. "If you just talk to the Governor, I need to warn you, that if you only work with him, you will not see any security or reconstruction in Mosul. The Governor does not want reconstruction to succeed. Do not only work with him," he said. Abdul-Rahman alleged the Governor has prohibited all of the central government ministries' directors-general in Mosul from attending Governorate-level reconstruction meetings and complained that he had not been invited to the Governor's meeting with the Deputy Secretary (reftel). (Comment: Abdul-Rahman's assertions are incorrect. For example, Ninewa PRT leader chaired a reconstruction meeting just this past week that included directors-general. Also, it was a USG decision not to invite Abdul-Rahman to the meeting with the Deputy Secretary. Abdul-Rahman's statements seem to derive from his very strained relationship with Kashmoula. End comment.)

16. (C) Vice Governor Keshro Goran, a Kurd, is the person BAGHDAD 00003331 002 OF 002

"truly in control," said Abdul-Rahman. By pursuing sectarian gains, however, Goran has greatly damaged relations between the Kurds and the Arabs in Mosul.

Telecommunications Issues

- 17. (SBU) Abdul-Rahman said that the Ministry of Communications continues to suffer from its outdated legal framework and from problems inherent in the Coalition Provisional Authority Order that created the Iraq Communications and Media Commission. Corrective legislation is pending in the Council of Representatives (COR), but the COR lacks the experienced staff necessary to understand and advance the bill, he said.
- 18. (SBU) Abdul-Rahman claimed that he has done what he can to make internal reforms and focus on budget execution since his July 2008 appointment as minister. He said that when he became minister, the ministry had only spent IQD 23 billion of its total 2008 budget of IQD 380 billion. Since then, he has pushed through an additional IQD 105 billion in spending. Budget execution problems have hurt the ministry, he said, and as a result the Ministry of Communications will receive less in FY 2009 than FY 2008.
- 19. (SBU) Abdul-Rahman said the ministry will concentrate on creating a fiber-optic network backbone, replacing the landline telephone exchange systems, extending internet access more widely through Iraq, and installing a satellite back-up system for the land-based phone network.
- 110. (SBU) Abdul-Rahman said that he would welcome foreign investment in e-Governance systems that allow individuals to pay electric and telephone utility bills online. He would also like to develop an e-Government network that would reduce paper flow between government offices and allow access to government systems over the internet at kiosks.
- 111. (SBU) Abdul-Rahman was adamant that the GOI maintain control over fiber-optic networks and that only the Ministry

of Communications' state-owned company is authorized to lay fiber in Iraq. He complained that private companies and even provincial governments are installing their own fiber. In response to a question from EMIN, Abdul-Rahman said that he would "not stand in the way" of the U.S. company OIFNET that has completed a fiber project from Baghdad to Kuwait so long as the only user of this network was the U.S. Government. CROCKER